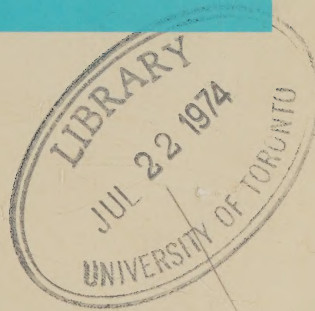


THE EVOLUTION OF POLICY IN
~~CON~~TEMPORARY ONTARIO

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ONTARIO 1945-1973: THE MUNICIPAL DYNAMIC

BY LIONEL D. FELDMAN



PREPARED FOR THE
~~ONTARIO~~ ~~ECONOMIC~~ COUNCIL





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This is one of several studies prepared for the Ontario Economic Council. Although these studies are published under the auspices of the Council, the views expressed are those of the authors themselves.

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ONTARIO 1945-1973: THE MUNICIPAL DYNAMIC

by Lionel D. Feldman*

Introduction

The purpose of this review is to provide an analysis of provincial-municipal relations in Ontario from 1945 on, in terms that are revealing and relevant to the Ontario Economic Council's recent project to formulate views on goals for Ontario in the 1980's. Hence the study is both retrospective and future oriented.

What follows does not take an economic view, for two reasons. First, the landmark Ontario Committee On Taxation study by J. Stefan Dupré *Intergovernmental Finance In Ontario: A Provincial-Local Perspective* is still a valid document and after five years it hardly seemed productive to till the same soil. Second, resources beyond those presently available would be required to chart the maze of fiscal relationships between Ontario and its myriad local governments, boards and commissions.

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This study looks at linkages and developments over the past twenty-five years in terms of provincial-local relationships but does not include education. The analysis of the late Kenneth Grant Crawford in his paper "Some Aspects of Provincial-Municipal Relations"¹ written in 1950, is a good take-off point. Crawford argued that one matter was essentially non-negotiable, that was that a system of local government is "indispensable to effective administration"; sadly, little solid proof of the assertion is offered. The relationship between a municipality and the province is cast in terms of master-servant. Acknowledged pressure points occur on municipalities. The province, harassed by a number of forces, used to respond by expanding its fiscal role, mostly through the medium of conditional grants.

Only in the late 1950's did a subtle alteration in approach become evident. The alteration in attitudes is made most evident by examining the role of the government of the late Leslie Frost, Premier of Ontario 1949 to 1961; and that of his successor John P. Robarts, Premier 1961-1971. The 1960's provide the most fertile area, for through the *Design for Development* statements a new role for the Province of Ontario was articulated. Often it was a contradictory role, in that the rhetoric of the policy statements, viewed in juxtaposition to the deeds, permits a slightly different perspective. Regional government and regional development, twin forces in separate compartments. That was the early battle cry—later to be drastically altered. In the words of the *1973 Budget Statement*, the province's actions were "... concrete examples of the government's policy of enhancing the autonomy of municipalities and broadening the scope for decision-making at the local level." The reverse has been occurring—a steady erosion of real decision-making at the local level. Continuous transfer of services up the ladder with the local governments fading in importance and relevance to the citizen at large.

A subsidiary theme comes under analysis, that is, a contrast in the methods of securing public acceptance of a major local government reorganization program. The study refers to New Brunswick's experiences with the *Program for Equal Oppor-*

¹ Crawford, K. G., "Some Aspects of Provincial-Municipal Relations", *Canadian Journal of Economics & Political Science*, 16 (1950), pp. 394-407.

tunity, 1966, the Regional District approach in British Columbia, 1964, and the Manitoba Government's efforts to secure support for its plan to reorganize Metropolitan Winnipeg, 1971. At the root of the whole matter is the age-old question of centralization versus decentralization which the latter section of the study discusses.

Frankly, a bleak outlook for the Ontario local government community is offered. A pessimistic conclusion is the only one this writer can foresee. The hope is that events, and the sheer force of the political process, will prove the forecast to be incorrect.

Dimension of the Intergovernmental Problem—Urban Population Growth

Although many of the early commentators who tackled the nature of the relations between a provincial government and its municipalities obliquely refer to the growth of population as a factor in these interrelationships, it was not considered to be a dominant force. The litany went something like this. What the Baldwin Act of 1849 had envisaged by its two-tiered system of municipal government, through the county, was a method of twinning the towns and rural areas; albeit to the exclusion of the cities. Only after 1921 was slightly over 50% of the province of Ontario's population categorized as urban. Clearly, what emerged in the mid-1800's was legislation designed accurately to reflect the nature of an agrarian society with a steady but unspectacular pattern of growth. As well, of course, the basic role envisaged for the municipalities was one of a housekeeping nature, an administrative unit to provide those services that the province deemed should be offered to its citizenry. Growth as a factor which might demand different structural, service and administrative devices was not deemed to be an imperative in Ontario until the early 1960's.

There is no doubt that Canada's character in terms of where and how its citizens live has changed during the past century. The

Economic Council of Canada's Fourth Annual Review *The Canadian Economy From The 1960's To The 1970's* dated September, 1967, stated that amongst a group of ten technically advanced and industrial nations, among them Britain, United States, France, Australia, "... Canada experienced the highest rate of increase in urban population—4.1 per cent annually ..." (p.177). In 1851, the first decennial census of what was then British North America showed a population of 2.5 million with 13 per cent living in incorporated centres of 1,000 or over. One hundred and ten years later, the 1961 census showed the total population had increased sevenfold and the level of urbanization had reached 70 per cent of the total population.

The ECC predicted that "... by 1980 some 60 per cent of all Canadians will live and work in about twenty-nine major city complexes ..." (p.184). Three years later the Lithwick Report *Urban Canada: Problems And Prospects* stated that "... we calculate that 73% of the population will live in our twelve major centers by that date" (year 2001) (p.145). These forecasts are even more striking as five of the twelve centres are in Ontario—Ottawa, Toronto, Hamilton, London and Windsor.

But let this be cast in some perspective. In 1871 only one Ontario centre had a population of 50,000 or over, there were only three in 1901, seven in 1941, twelve in 1951, eighteen in 1961 and twenty-six in 1971. Thus while 3.5% of Ontario's population was in one urban centre of 50,000-or-more population in 1871, the proportion in the same size category grew to 27.5% by 1921 fifty years later. However, 1951 saw 38.8% of Ontario's population concentrated in urban centres of over 50,000, and the real expansion was still to come in the next generation. By 1971, 57.8% of the province's population lived in urban centres of over 50,000. If the population size is dropped to those municipalities of 10,000 or more the same pattern is more sharply etched, as seen in Table I. In 1971 there were 905 municipalities in Ontario; 866 single-tier local governments and 39 second-tier municipal units.

As many Ontario residents hanker after a quiet life and thus might prefer to view the province and its growth in terms of other than the major urban centres, let us look at nine selected

urban centres other than the major ones to see whether the generalized pattern illustrated by Table I is the rule. Table II shows over a hundred-year period the rate of transformation from the standpoint of population growth of some selected Ontario municipalities.

TABLE I
Urban Growth in Ontario 1871-1971

	Population of Prov.	No. of Mun. 10,000 or over	Total Pop. in Mun. 10,000 or over	% of Total Population of Province
1871	1,620,851	5	132,586	8.2
1891	2,114,321	10	363,134	16.7
1911	2,527,292	18	812,179	32.1
1931	3,431,683	34	1,688,126	49.2
1951	4,597,542	45	2,535,656	55.1
1971	7,703,110	83	5,684,613	73.8

SOURCE: *Local Government Reference Paper 1*, Kingston, Institute of Local Government. 1973.

Note: these are municipalities selected as being urban, and therefore there may be a municipality of population size 10,000 not included as it was not considered urban.

Linked with the matter of provincial-municipal relations is the fact that there has been in reality no innovative structure of local government in Ontario for the 100 years 1871-1971. The county form of two-tier structure has been all pervasive. Notwithstanding the fact that the province is no longer composed of mainly agrarian service centres, the structure of local government has not been substantively altered.

TABLE II
Growth of Nine Selected Urban Municipalities
in Ontario and % Increase 1871-1971

	1871	1921	1971	% change 1871-1971
Barrie	3,398	6,936	27,676*	714.4
Chatham	5,873	13,256	35,317*	501.3
Chinguacousy	6,129	3,635	30,997	405.7
Kitchener	2,743	21,763	111,804	1057.2
Nepean	5,069	10,867	64,606	1174.5
Oshawa	3,185	11,940	91,587	2775.6
Saltfleet	2,783	5,900	18,993	582.4
Sarnia	2,929	14,877	57,644	1868.0
Sudbury		8,621	90,535	

SOURCE: Census of Canada, 1871, 1921, and 1971.

*Change in Census area since previous year.

Urbanization has been a fact. For more than thirty years over half of Ontario's population has been concentrated in municipalities of ten thousand or over. The take-off point was clearly the 1950's. Some tangible examples can be highlighted by using the centres selected for Table II. Barrie's population grew by some 120 per cent in the generation 1951 to 1971. In the case of the Township of Saltfleet, bordering Hamilton, the population over the same time span increased by 7,173 persons or 70.2 per cent.

Growth has been a key factor in the local government scene in Ontario since 1945. What the body of this study directs itself to is the manner in which the province addressed itself to this phenomena.

CHAPTER II

Changing Times 1945-1961

The sixteen years between 1945-1961 spanned the duration of three Premiers, George Drew 1943-1948, T. R. Kennedy 1948-1949 and Leslie Frost, who before and after his tenure in office as Premier, had also been the provincial treasurer. X T.R. Kennedy =

The trauma of war, and the major readjustment process, affected most of the Province's energies at least up until the mid-1950's. Essentially the late 1940's and early 1950's were devoted to massive public expenditures to meet the increased demand for services (sewers, watermains, roads, schools, etc.) that had been held in abeyance because of the depression and then the war effort. Esoteric matters such as provincial-municipal relations were clearly secondary. The pressures for both "hard" services and increased social services (hospitalization, schools and child care and protection) had caused a dramatic increase in the level of financial assistance from the province with a concomitant increase in control. The municipalities and the province were mainly concerned with getting on with it! Nevertheless, there was a clear feeling on the part of the province that its local governments were not capable of dealing with their own problems without very direct provincial control and assistance.

An earlier study by the Ontario Economic Council, entitled *Subject To Approval*,* describes the planning process and procedures for the period 1945 to 1971. George Drew had a commitment to the municipal scene illustrated by the introduction of The Planning Act in 1946. This legislation was designed to assist in the orderly development of the province. It imposed through the minister, initially Mr. Drew, responsibility for overall coordination of all provincial activities relating to development. However, Mr. Drew got diverted, and turned his attention to education. The absence of the First Minister from this Department was clearly felt.

Things would not and did not stand still. In 1941 there were 2,192,922 people in the province. The next decade saw an increase of some 516,439 persons. However, 1951-1961 saw the population rise a staggering 1,299,852 to a total of 4,015,213. The population pressure, moreover, was most dramatically centred in the heartland.

Metropolitan Toronto and the Years of Frost

While population data is dry, it does tell a vivid story and for those with even a modicum of imagination each new person can be visualized as a voracious consumer of municipal public services. Especially when along with the growth in numbers went a comparative period of economic buoyancy. After the Second World War what is now Metropolitan Toronto had a population of 942,762, which grew to 1,172,556 by 1953, representing an average annual increase for the eight years of about 29,000 or eight per cent of the total of Canada as a whole. The ten years 1953-1963 saw the average annual increase jump to 48,000 persons annually. A great deal of this growth was due to the boom in immigration that Canada as a whole experienced.

People, coupled with lack of basic services in the townships that bordered the city of Toronto, caused the major intervention by Queen's Park into municipal affairs since the mid-1930's. Premier Frost introduced in January, 1953 legislation establishing the Municipality of Metropolitan Toronto, a federation of the thirteen municipalities under an area-wide government. The

* *Subject to Approval. A Review of Municipal Planning in Ontario.* Ontario Economic Council. March 1972. \$5.00

legislation passed within six weeks and on January 1, 1954 the new municipality was legally born.

This intervention was a notable shift in the government's stance. It was not, however, quite the innovation much of the literature would lead one to believe. Taken as a model was the 1849 county system, grafted on to an urban setting. Politically, however, it was a master stroke. Not a major disruption as no entity disappeared—just powers.

Certain functions deemed to have area wide significance were passed to an upper tier which had both powers and co-ordination. More important it could make decisions and begin to build. Build Metro did: roads, sewers, water lines, and schools.

While few observers have realized it, Mr. Frost's move laid the groundwork for the activities of future years. When there are service problems through disparity in a service level or incapacity to perform, then the provincial remedy is to pass responsibility for that function up to a level of government that has both the will and capacity to act. The real test always seems to be on a pragmatic level. Philosophical questions of the allocation of power, centralization versus decentralization, all are secondary. There is a problem, and a solution has to be found.

Basically though, except for 1953, the Province stood back and watched the passing parade of growth. From 1945 to 1953 the Province's expenditures to municipalities under the Municipal Unconditional Grants Act and related acts grew modestly (by comparison) from \$3,105,346 in 1945 to \$5,281,923 in 1953 or some 70.1%. The next eight years tell a rather different tale. In 1961 the amount was \$25,508,787 an increase of nearly five fold since 1953. The 1973 budget states "... during the period 1967 to 1972, the Ontario government more than doubled its payments to local governments, agencies, and property tax payers from \$955 million to \$2 billion." As mentioned at the outset, Dr. Dupré's study is the stage for the detailed examination of provincial-municipal relations from a fiscal standpoint.

The latter part of the 1950's and early 1960's saw a number of municipalities experiencing difficulties. In a variety of smaller Ontario centres certain irregularities came to light, which in most cases were dealt with by some form of enquiry. It was

against this backdrop that Mr. Frost in 1960 asked three questions relating to how far the province should go in interfering with the prerogatives of locally elected councillors. But it is his first question which really sums up the general provincial attitude up to 1961. The rhetorical question "should a Provincial government have power to interfere in local government?" was answered with a vibrant no. The practice was a tentative maybe. But the times were changing.

The Robarts Decade—A Shift in Emphasis

In 1961, John Parmenter Robarts became Premier of Ontario, and during the next ten years, the province moved from a state of affairs in terms of its relations with municipalities that could be described as *laissez-faire* into both a more aggressive and positive stance.

In retrospect it is clear that the September 1964 speech Mr. Robarts made to the National Conference of the Community Planning Association of Canada demonstrated he had become convinced that his term could not be a stewardship one. With one last plaintive plea the scene was set:

" . . . If we are concerned with the maintenance of local autonomy as an essential element in our democratic society, the municipalities themselves much discharge their responsibilities. . . . the alternative is the gradual encroachment in local affairs by the provincial authorities.

" . . . We in Ontario want good effective local government, but if such an essential function as sound community planning is not carried out satisfactorily within local self-government, we may have to explore other alternatives."

Two policies will serve to illustrate the almost complete about face Ontario took with respect to its internal intergovernmental relations. First is the saga of the regional development and regional government programs; second, the transfer of functions from lower tier municipalities to the upper tier (first apparent with the formation of Metropolitan Toronto) and from municipality to province.

The next chapter in essence demonstrates the major shift in provincial policy that the Robarts Decade introduced.

Regional Government and Regional Development

Ontario's move into a stance of more active involvement with functions and responsibilities of local government is best demonstrated by a look at the two "regional" programs—regional development and regional government. Clearly the pressures of urban growth described earlier were still building and carrying with them the constant demand for new and improved governmental responses to help ameliorate some of the problems attendant upon such growth. Also, of course, in any terms Ontario was and is a wealthy governmental jurisdiction. While there is not a bottomless pit, still, due to its natural resources, industries, businesses, professions and the pool of taxes which flow from these, the province can face most problems with confidence insofar as programs can be mounted to cope with problems.

Three events antedate the two programs to be discussed. Nineteen sixty-three was something of a banner year for royal commissions in Ontario. The Royal Commission on Metropolitan Toronto (Goldenberg Report) to examine the workings of Metropolitan Toronto was established, as was the massive Ontario Committee on Taxation (Smith Report) which not only

examined and dissected all forms of taxation in the province but also cast a sharp look at the structure of local government.

In the early 1960's the Ontario legislature had established the Select Committee On The Municipal Act and Related Acts (Beckett Report). In 1965 the final report of this last was issued and contained a recommendation "that larger units of local government designated as 'regional' be established with the county as the basic unit".

Coincidental with these activities was the strengthening of senior civil service in Ontario with a concerted recruiting programme. This became most noticeable in the late 1960's in the then Department of Treasury and Economics. The rational man, technically advanced, intellectually self confident, convinced in the doctrine that government's role was to provide services economically and efficiently, came to hold the ears of the Premier and his senior Ministers.

Regional Government

In introducing the estimates for his Department in 1965 the Minister of Municipal Affairs announced that a series of regional studies, later known as local government reviews, were to be commenced.

The initial idea was that within the "regions" as nearly as possible there should be unanimous agreement for a study by all municipal units, expressed by a formal resolution requesting a study. All regions were carefully predetermined as being coterminous with the county or district boundaries. The basic and difficult question was never to be tackled, that is: What is a region for governmental purposes?

The province would agree with the municipalities, appoint a commissioner and the costs would be shared. The reviews were intended to take a year and were expected to cost about \$75,000 each. In the later stages of this program both costs and deadlines were extended. The Department of Municipal Affairs was responsible for disposition of the reviews.

Almost from the start there was an implicit view within the Department that in effect only one solution was likely to emerge from any well conducted study process of local government. That was a minor variation of the two-tier system. Func-

tions were allocated between the upper (or second tier)—the regional governments, and area municipalities (or lower tier). In short, “mini-metros” all over the province. Politically this was a safe way to reallocate services and functions as there would be a minor consolidation of the smaller municipalities, but essentially most local government units would remain governmentally intact. At the lower tier, most often they were rendered functionally impotent.

Nevertheless, it was a program of gradual reform that could be sold, at least in the mid 60’s, with some ease. Rural and urban areas could be combined all within the old county boundaries and area-wide problems could be tackled.

The nine priority areas set out by the Minister are traced through in capsule form, setting out the outcome of the major recommendation of these local government reviews up to 1973.

In progress already was the Ottawa-Carleton study—the Jones Report, 1965—which recommended a basic single tier with area or ward councils; effective January 1, 1969 the province established a two-tier system of local government.

1. Peel-Halton—the Plunkett Report, 1966 recommended two single-tier municipalities. One in the south containing the urbanized part of the two counties, another in the north with urban service areas which was not subject to such intensive urbanization. On January 1, 1974 a two-tier system took effect in each of the two counties corresponding to the original county boundaries.
2. Waterloo—the Fyfe Report, 1970 recommended a two-tier system; broadly adopted and effective from January 1, 1973.
3. Lakehead—the Hardy Report, 1968 recommended consolidation of Fort William and Port Arthur and adjacent territories into one city and a district council to cover the remainder in the then District of Thunder Bay with limited powers. Effective in 1970 the new City of Thunder Bay was established.
4. Niagara—the Mayo Report, 1966 recommended a two-tier system which was adopted effective January 1, 1970.

5. Brantford-Brant a data book was produced in 1967; in 1972 a planning study was commissioned but has not yet completed its work—the Smith Report.
6. Hamilton-Wentworth—the Steele Report, 1969 recommended a two-tier system including Burlington; effective January 1, 1974 will be a two-tier system excluding Burlington.
7. London-Middlesex—no action.
8. Muskoka—the Paterson Report, 1969 recommended a two-tier system, adopted effective January 1, 1971.
9. Ontario County—the Oshawa Area Planning and Development Study in 1967 through one of its subsidiary reports recommended a two-tier system. The United Counties of Northumberland and Durham themselves commissioned a study (the Beekmans Report, 1970) which was accepted by the county recommending consolidation of the municipalities to 8 from 24 with an upper tier with few responsibilities. On January 1, 1974 a two-tier system became operative in Ontario county, known as the Regional Municipality of Durham. However, the OAPADS was terminated in 1971 before completion by a vote of the executive committee of constituent municipalities. To quote from the province's *Proposal For Local Government Reform In An Area East of Metro 1972*: “. . . the local governments, through OAPADS, failed to take the initiative in formulating a regional government structure and left the full burden with the province.”

Other areas not mentioned in the 1965 speech have had a review process.

In Sudbury, the Kennedy Report 1970 recommended a two-tier structure, which became effective January 1, 1973. In Haldimand-Norfolk, a provincially-sponsored planning and government study, the Richardson Report was released in 1973. This study was unique in that it was the only one wherein, through a survey process, the attitudes of the local residents towards the local government reform program were tested. The responses were mixed. A study for the Wellington-Guelph

County area, the Turnbull Report, 1972 has reported but there has been no action from the province.

While what remained of York county could never agree on an overall study, nevertheless, effective January 1, 1971 a two-tier system was introduced.

Smith Report

Independent of the local government reviews other events were interjecting their way onto the scene. The lack of policy towards local government reform which existed in 1965, except to the extent that a series of independent studies should be conducted, was drastically altered. First, the naive and simplistic view that there was only one correct solution (a two-tiered system) was rudely jolted by the first three reviews to report. Jones and Plunkett had the temerity to recommend single-tier systems for their review area.

Second, in 1967 the Smith Report was finally completed. Chapter 23 of Volume II "Reconciling Structure With Finance" opens as follows:

"Lest our critics invest us collectively with the title reserved for those who rush in where angels fear to tread, let it be a matter of record that it was not until after many months of deliberation that we decided that an excursion into the field of governmental structure was an unavoidable part of our assignment."

Only a small portion of this extraordinary chapter will be commented upon here. The Smith Report stated that its criteria for local reform were predicated on two "prime values":

1. **Access** . . . the most widespread participation possible on the part of all or virtually all individual citizens. Access to government, in terms of capacity to influence public policy decisions and to enforce responsive and responsible administration is, of course, fundamental to any democratic government . . . the capacity of government to promote access is in part an inverse function of size. The local government that is sufficiently small to enable all citizens to participate directly in public affairs—in short, the town-meeting government—is that local government which is capable of realizing the access value most fully.

2. **Service** . . . we mean not only the economical discharge of public functions but the achievement of technical adequacy in due alignment with public needs and desires.

The Smith Committee then went on to establish five criteria which they stated were the basis of their scheme of reform. These same criteria in similar language were subsequently adopted by the Government of the Province of Ontario. The criteria are as follows:

“First a Community Criteria—a governmental region should possess, to a reasonable degree, a combination of historical, geographical, economic and sociological characteristics such that some sense of community already exists and shows promise of further development subsequent to the creation of the region.

“A Balance Criteria—a region should be so structured that diverse interests within its boundaries are reasonably balanced and give promise of remaining so in the foreseeable future.

“Financial Criteria—Every region should possess an adequate tax base, such that it will have the capacity to achieve substantial service equalization through its own tax resources, thereby reducing and simplifying the provincial task of evening out local fiscal disparities.

“A Functional Criteria—Every region should be so constituted that it has the capacity to perform those functions that confer region-wide benefits with the greatest possible efficiency, efficiency being understood in terms of economies of scale, specialization and the application of modern technology.

“A Cooperation Criteria—Regions should be so delineated and their governments so organized that the cooperative discharge of certain functions can readily become an integral part of their overall responsibility.”

Design for Development—Regional Government

The *Design for Development: Phase Two* 1968 document containing statements made by the Prime Minister and the Minister of Municipal Affairs confirmed and set forth these five criteria as essential for the government's program of local government

reform. Three additional criteria were adopted as government policy. The first of these, or sixth consecutively, was: Community Participation—and where possible community acceptability.

“This does not mean that any municipality will have a veto over regional government proposals in its area. What we do want is participation by all communities in an area in the discussions leading to the formation of a regional government.”

Criterion number seven added by the province was:

“ . . . that the new regional government boundaries should be used by other institutions in the regional administration of their programs.”

The eighth criterion was that:

“Where there are to be two tiers of government within a region both tiers should be designed with the same criteria.”

These were subsequently amplified to a certain extent by guidelines such as the *Design for Development: Phase Two* statement that “a minimum regional population from 150,000 to 200,000 is required for efficient provision of most local services.” And that in terms of the lower tier in the second-tier system “ . . . the minimum population of local municipalities . . . should be from 8,000 to 10,000”.

The statement contains the following which has been subsequently repeated many times: “ . . . judgments respecting the question of one or two-tier regional governments must be made on an *individual regional basis* following detailed study and consultation in each area”. The Minister of Municipal Affairs then went on to further elaborate on these basic criteria by setting out what he said were the major elements of his province’s regional government system. He summarized the following characteristics:

1. A regional size which balances accessibility and the efficient provision of services. A minimum regional population of from 150,000 to 200,000 and, if two-tiered, a minimal local population of from 8,000 to 10,000.
2. The region will cover both the urban community and the

rural hinterland with which it shares economic, social and physical services.

3. Regions may be one or two-tiered, depending on local circumstances.
4. If two-tiered, the regional level will have many significant responsibilities including assessment, planning, arterial roads, health and welfare.
5. Municipal councils will be strengthened by removing the powers from many special-purpose bodies and turning these powers over to regional or local municipal councils.
6. Regional government representation will be based on population.
7. In the two-tier regions, regional council representatives may be directly or indirectly elected.

Thus, by late 1968 there was no question of the direction in which the Province of Ontario intended to proceed. Firm policy criteria and guidelines had been articulated by the government, and there was little question that the program would be continued apace. Although the criteria and guidelines are set out, there has been only minimal attention in all of the government statements introducing reform to match the guidelines and criteria with what has been proposed.

On one point there appeared little question, notwithstanding the earlier statements which indicated that the government was open to either a two-tier or a single-tier system of regional government. There was little inclination on the part of the province to impose a single-tier system of government save in areas where it virtually represents an amalgamation question, for example, Thunder Bay and Sudbury, in Northern Ontario.

By June, 1972 when *Design For Development: Phase Three* was released we had come full circle. The province now declared that the time when it would wait for initiatives from municipal governments before acting on regional reform had passed. The Minister of Municipal Affairs stated:

“The pressures of urbanization, the integral relationship of local government to sound economic, social and fiscal relations policies for *all* of the Province severely limits the usefulness of this very slow and very selective approach. We must

not lose sight of the fact that the Province and its municipalities serve the same people, although in different ways and at different times for different things. The Province has come to the conclusion that the general guidelines for local government reform set out in *Design For Development Phase II* are still valid and we shall continue to pursue them. What is required now in the program is a shift in some of the emphasis by the province.

“First of all, the province recognizes now that it is perhaps too much to ask of municipal politicians to be the authors of what is ultimately and properly provincial policy—the design of the structure and organization of local government and the definition of the responsibilities that should be carried out within the structure . . .

“In the coming months we will be changing the emphasis in some parts of the local reform program by assuming more of the duty that I think you will agree should be ours . . .

“Ultimately it is the province that must decide and take responsibility for policy in local government reform . . .

“ . . . We cannot reasonably expect counties to be the architects of broad new forms of local government. It is indeed valid to ask in which ways the present boundaries of the various counties are or are not relevant. It is now time to broaden the basis upon which the local government studies are undertaken.” (p.10-11)

Design For Development: Phase Three then went to articulate a provincial time table which suggested that by 1975 within the three Southern Ontario Planning Regions which have been delineated there would be proposals for local government reform. Virtually the whole southern part of the province should be covered by a program of local government reform by 1975.

Roughly seven months after the release of *Design For Development: Phase Three*, with opposition to the local government reform program being manifested in many areas, there were indications that the province intended to slow down the aggressive program of reform.

But the regional government reform program was not the only program that was in operation during this time span. Let us now turn to the other regional program.

Regional Development

The regional development program is not discussed herewith in detail. Nevertheless, some mention must be made if only because of the peculiar convolutions the province has gone through, first indicating that there was a complete demarcation between the regional development program and the regional government program, then coming full circle in modifying this stance.

In 1954 ten Regional Development Associations subsequently called Regional Development Councils were constituted. It was not until 1966 that these were established in all the ten designated areas. The roots of the regional development program stemmed from an international conference convened by the Ontario government on Regional Development and Economic Change in 1965. The culmination of these efforts was the Metropolitan Toronto and Region Transportation Study (MTARTS), and in 1966 the White Paper statement, *Design For Development*.

The question of regional development councils was dealt with in the legislature in 1967 by the Premier who stated "regional government and regional economic development are separate compartments . . .". This sharpened substantially the *Design For Development* position of 1966 which had said:

" . . . it must be emphasized that this statement is concerned with regional development and not with regional government. Any regional development structures created by this government will be such that they will not disturb the existing power and authority of the municipal and county councils within the region."

The Smith Committee Report had bluntly stated that "it is none the less our concerted opinion that the economic regions within their present boundaries would prove entirely unsuitable for regional government" and it went on to say that " . . . we do advocate on a number of counts coterminous boundaries for economic and governmental regions".

The seeds then had been planted by which the government could begin to back away from a virtually untenable position. The first break came in a luncheon address to the Conference convened by the Canadian Tax Foundation in January 1968 when the Provincial Treasurer said:

“The government’s goal in regional development will be to create regions with the opportunity to develop their resources and to guide their economy in the direction that will benefit them most. We want to balance out the economic differences between communities by broadening the assessment base. Here the wheel comes full circle because in the character of regional governmental change will come the machinery and means of helping all regions develop purposely and effectively.”

The first Director of the Regional Development Branch in a privately published monograph entitled *Design for Development in Ontario: The Initiation Of A Regional Planning Program*, devoted a mere four pages to a discussion of regional development and regional government. At least for this former official there was no doubt about the focus of the program:

“Regional development and regional government are overlapping programs in Ontario; but they are distinct, and either could exist without the other. However, they are sufficiently complementary that each will work more satisfactorily if the other is in existence. Finally, much of the confusion between the two terms could be eliminated if, following the precedents set by the former Prime Minister of Ontario, we should substitute the words ‘area government’ for ‘regional government’ henceforth speak of only regional development and area government.”

The monograph is lacking in an appreciation that government is the art of balancing legitimate demands. Further, neat categories are not always possible.

The changes brought about by the Report of the Committee on Government Productivity on *Structure of Government* saw the integration of the former Departments of Municipal Affairs and Treasury and Economics into one overall department known as Treasury, Economics and Intergovernmental Affairs. There occurred as a result of this move a blending, and a subsequent

blurring to some extent, of the hard lines between regional government and regional development.

This integration of the two programs became more than just speculation caused by looking at the internal organization of the department with the release of *Design for Development: Phase Three* in 1972.

But, to go back in time for a moment, in 1970 there appeared *Design For Development: the Toronto-Centred Region*, followed a little over a year later by *Design For Development: A Status Report On The Toronto-Centred Region*. Both of these documents and the creation of the Regional Municipality of York had a significant effect upon the Municipality of Metropolitan Toronto by severely limiting the territory of its planning jurisdiction. This was the first major indication of a real attempt by Ontario to contain Metropolitan Toronto.

All these policy statements presented tangible evidence of the direction in which the province was moving in terms of its relations with its local governments. The moves were from a backing away from direct action in the Fifties and early Sixties, to a far more aggressive and assertive stance culminating in *Design For Development: Phase Three*. This was a major new direction for Ontario. Effective January 1, 1973, five provincial planning regions were formed to cover Eastern Ontario, Central Ontario, Southern and Western Ontario, North Eastern Ontario and North Western Ontario. These took the place of the pre-existing ten economic regions. The regional development program was to work very closely with municipal government. The statement effectively repudiated former policy by saying:

“Indeed, while it may be possible in theory to pursue a successful regional development program without significant participation by local government, to do so would be a complete violation of this Government’s commitment to a working relationship with local government. As we see it, the cities, counties and regions of Ontario would be the most important bodies in the implementation of regional planning and development for this Province.”

The province intended to develop overall planning policies throughout these five regions that would have effects for the

whole of the province. This was made crystal clear by the following:

“Urbanization is a complex process involving great problems for a social, environmental and economic well being. The regional development program must establish for the residents of Ontario a clear plan of action to guide the provincial and local governments. At the same time, the reform of local government and supporting fiscal arrangements must proceed to ensure that the authority exercised by local government reflects the scope and nature of the problems associated with its responsibilities. Only in this way can citizens of Ontario organize and plan to obtain the greatest benefit from our urban growth and realize the full potential of our heritage.”

Twenty-six years after the introduction of *The Planning Act* Ontario was to have provincial plans within which presumably municipal plans must conform.

Ministry of State for Urban Affairs

The publication of the *Urban Canada: Problems and Prospects* (Lithwick Report) preceded by a year the signing of the Privy Council Minute on June 30, 1971, which established the Ministry of State for Urban Affairs by the Federal Government. The Ministry was to be a focus for policy development for urbanization in Canada, to have responsibility for coordination of the development of urban policies based on research, to be supportive of such programs that were being carried on by the government and to adopt a consultative position with respect to “federal, provincial and local governments’ responsibilities in city and municipal matters”. The ministry has no direct program delivery responsibility.

From these roots sprang the first tri-level conference on Provincial-Municipal Federal Relations held in Toronto in November 1972. At that time the Ministry of Treasury, Economics and Intergovernmental Affairs made it clear that in Ontario’s viewpoint the municipalities would speak to the federal government through the provincial government. This position was subsequently reinforced at another Federal-Provincial Conference, this time on housing in February, 1973, and further emphasized in the background papers for the Ontario tri-level conference in May, 1973. This May tri-level

conference was intended to address itself specifically to three major policy issues: transportation, housing and environmental issues. The Ontario statement reiterated the view that exclusive responsibilities for municipalities are vested by the British North America Act within the province, and it went on to acknowledge that the federal government has considerable "indirect influence" on Canadian urban centres but to suggest that Ottawa should not use its responsibilities or its powers as a lever to redirect the priorities of provincial or local governments in planning. In very blunt language the Treasurer stated " . . . any federal government activity in our cities must respect all priorities and planning by complementing and supporting these activities of provincial and local governments."

As with internal intergovernmental relations, for example, in the regional government and the regional development program, relationships between the province and the federal government had been altered drastically from the previous laissez-faire stance by the Ontario government. The province saw itself as performing a direct, forceful and vigorous role in determining the direction in which its municipalities will be allowed to proceed. This was a long way from 1965 when a series of independent studies on local government could be carried out only if all municipalities in the country formally requested it.

Approaches to Change – The Public and the Province

The evolution of the Government of Ontario role from that of an interested party and *in extremis* intervener in activities of its municipalities, to that of the prime mover for change, has been illustrated. The change has been gradual but there is now little doubt that in most areas of municipal concern the provincial government perceives its responsibilities to be that of a direct actor. The first assumption is that the municipalities themselves will not act.

In the regional government reform program Ontario has not seen its role as one whereby there was an obligation to go out to the public at large in an attempt to explain, or to educate the citizens as to what was happening and why. Efforts have been made constantly to speak to, preach to those thought to be most directly affected, i.e. the local politician and the local officials through the various municipal associations. The respective ministers would make a hurried appearance to give the opening or keynote address and then be off, leaving a harried civil servant to answer questions.

The special interest public—professional builder, developer, lawyer, consultant, outspoken do-gooder—found itself the

recipient of an impressive invitation to attend at a set hour, say, the Queen Elizabeth Auditorium of the Canadian National Exhibition or the Science Centre to see a multi-screen, many-personality "presentation". *The Design For Development: Toronto-Centred Region*, May 5, 1970; or *The Parkway Belt West, Niagara Escarpment* June 25, 1973 are examples of this type of presentation. As for the general public, it could write for the publicity handouts.

In 1972 the dissention over the local government reform policy was becoming intense but no alteration in the province's public education stance was apparent. Ontario has not felt the need to attempt to carry its citizens along with it in its attempt to rationalize the form and system of local government. By way of sharp contrast are the experiences in New Brunswick with the *Program For Equal Opportunity*, 1966, and in Manitoba with the reorganization of Winnipeg, 1971. In contrast and more closely resembling the Ontario attitude was the practice of W. A. C. Bennett's government in British Columbia in the introduction of regional districts. The New Brunswick, Manitoba and British Columbia approaches will be sketched briefly. The aim is not a detailed analysis of the various approaches a government may utilize in terms of a public education program; rather it is to illustrate how the public's opposition to a controversial policy may be softened.

New Brunswick

The Royal Commission on Finance and Municipal Government (Byrne Report, 1963) was the father of the soon to be stylized "*Program for Equal Opportunity*". As the *White Paper On The Responsibilities Of Government* set out in May 1965, the objective of the New Brunswick government, through a radical reordering of functional responsibilities between the province and its local governments, was to "... call for an acceptance of minimum standards of service and opportunity for all citizens, regardless of the financial resources of the locality in which they live." The White Paper, the first such document ever issued by a provincial government in New Brunswick, articulated in sweeping statements and broad brush terms, the intent of the government and was widely distributed. Legislation was drafted, introduced, debated, then withdrawn to be dissected in committee and amended. The aim was to have the reform operative by 1967.

In November 1966, Louis Robichaud in the Legislative Assembly delivered a major policy statement outlining in detail the scope of reform in his *Program for Equal Opportunity* speech. The province was to assume full responsibility for welfare, education, justice and public health; cities, towns and villages would be the municipal units and there would be uniform assessment conducted by the province at market value, locally elected municipal councils would have taxation powers over real property and business within established maximum limits. Quite naturally the program created an uproar.

In an attempt to deal with the forces of change the Office of Government Organization (OGO) was established, charged with responsibility for conducting a vast public education program to explain what was being attempted. For any jurisdiction, let alone a province of New Brunswick's size and resources, the program was extensive, sophisticated and varied with emphasis on personal contact and communications. Pamphlets on significant aspects of the program were prepared and widely distributed in both languages. A booklet was distributed to every household in the province entitled "These Are The Facts About The Program For Equal Opportunity". In addition the province was blanketed by newspaper ads, television and radio spots using "name" Canadian media personalities including Rawhide (Max Ferguson). Question and answer phone-in's using WATS lines with recorded responses by cabinet ministers were established; trailers with information kits and displays, manned by university students, travelled the province appearing at fairs and exhibitions. Citizens who required more detailed information were asked to write their questions on prepared forms which were sent to Fredericton each night and answered within a few days over the signature of a Cabinet Minister. Most striking was the vigorous approach OGO took to service clubs, actively soliciting speaking engagements all over the province. A minister was guaranteed to appear for lunch or an evening meeting along with a team of officials. The aim was that the minister and the officials would be the first to arrive and the last to leave.

The key item is that there was a deliberate policy to carry the message to the people. Cabinet Ministers were required to go out onto the firing line, meet citizens and answer questions face to face. There was commitment to a massive program of public

education on the part of the whole government. In terms of results, informed observers interviewed after the fact are convinced that this policy played a major part in ensuring public support for the Robichaud program and government.

Manitoba

The New Democratic Party when it formed the government in Manitoba in 1969 was committed to a re-examination of Metropolitan Winnipeg. Its intervention was made clear in December, 1970 with release of its White Paper *Proposals For Urban Reorganization In The Greater Winnipeg Area*.

It outlined a plan for a single governmental jurisdiction for Winnipeg which would centralize functions but decentralize to community councils the means of control over the performance and delivery of services. The proposal was bold and innovative, insofar as implicit within the White Paper was a means for politization of local government to a degree not heretofore known in Canada. A large council of fifty members with the mayor elected at large, a centralized administrative structure, a system of functional committees and the community councils emerged which all made demands and required explanation.

For two months after the release of the White Paper at some 19 meetings in the Winnipeg area the designated minister responsible for urban affairs or a senior cabinet colleague appeared on public platforms. The program was outlined through audio-visual aids and a rather slick presentation. Then they answered questions directly from the floor. The meetings were lively and quite often very long. Newspaper coverage was intensive and at times harsh.

Later, before Bill 36 was formally introduced in the legislature, drafts had been circulated to all members of the legislature along with copious explanatory notes. While less dramatic than New Brunswick, the attempt was to be open and frank in going to the people to explain what was intended and to attempt to enlist their support before the program was introduced.

One must acknowledge that the Canadian forerunner of this sort of public education process was in Saskatchewan where in the late 1950's and 1960's, first with the Royal Commission on Agricultural and Rural Life and then with the Local Government Continuing Committee, elaborate public education pro-

grams were part of the process. Interestingly enough, civil servants who were part of this Saskatchewan experience were involved in New Brunswick and Manitoba; and the odd one may even be found in a key position with the Ontario government.

British Columbia

In 1964, largely through efforts within the Department of Municipal Affairs, a form of regional government to ensure an orderly system of local government throughout the province was introduced. B.C.'s problems are compounded by the fact that the vast majority (almost 75%) of the population is concentrated in the lower mainland and around Victoria, the remainder of this vast province is inhabited with sparsely settled municipalities and settlements. The regional districts blanket the whole province and provide that at the very least, a bare minimum of services would be provided through local government. The process of introducing the change was by the minister himself appearing at meetings of municipal politicians and officials and through legislation and regulations from Victoria. The Regional Districts were brought into being slowly, the first created in 1965. There was no attempt at any outside study process through a commissioner and there was no program of public participation. The basic legislation was passed in 1965 and it empowered the Lieutenant Governor in Council after receiving recommendations from the Minister of Municipal Affairs to issue letters patent to incorporate a regional district and assign functions. The prerogative was the minister's and by 1968 the whole of the province was covered.

A recent paper in *Canadian Public Administration* by Paul Tennant and David Zirnhilt (16, No. 1.) p.p. 124-138) claims that "the public and the province . . . was not involved and remained ignorant of the developments and their significance. Opposition to the new level of government did not develop among the local officials because provincial officials proceeded circumspectly, cloaking compulsion in option, presenting the new in terms of the old, while disclaiming great intentions". While this may be putting a rather high, almost conspiratorial gloss on events, interviews with officials in the Capital Region District and Greater Vancouver Regional District reveal that both those regions maintain a consistently low public profile. These two are among the most active of the regional districts

in terms of the range of services performed. Largely because of this the programs and functional areas have been generally non-disruptive, until recent attempts to move into the social areas. The Greater Vancouver Regional District has a number of attractive "hand outs". Due to a vigorous planning activity and through its *Report On Livability* which has been widely debated at public meetings the G.V.R.D. has made a strong commitment to public participation and has raised its profile a considerable extent.

Ontario is between these polar extremes, not as remote from its citizens as British Columbia but nowhere near as involved in carrying its message to the public as has been New Brunswick or Manitoba. One can only ask why? The question is, might the present generally adverse reaction to regional government have been obviated if time, effort and commitment on the part of ministers and senior civil servants had been devoted to actively explaining and answering questions from the citizens as to what regional government was expected to accomplish? On the evidence, it is logical to conclude that public participation through an awareness of provincial programs in respect to municipalities is not a priority of the Government of the Province of Ontario. Efforts are expended at provincial-municipal liaison committees, tri-level conferences closed to the public. The various levels of officials and politicians talk and the public is permitted to glean from press hand outs what actually happens. To be fair, few of the municipalities in the province, especially the urban ones, have demonstrated a much greater interest in presenting information and making their citizens aware. The degree of politicization within and between municipal governments in Ontario has never been high.

The Reallocation of Functional Responsibilities – Some Effects

Internal intergovernmental relations such as those that occur between a province and the municipalities are not a matter of equal dealing with equal. Relations between the government of Canada and any of the provinces are between entities with sovereign areas assigned by the British North America Act. The BNA Act is resoundingly clear about the emanation of the authority of a municipality. Under the heading of powers assigned to the provinces are Section 92(8) “municipal institutions in the province”; while 92(2) taxation, and (9) licences are also specifically relevant. Hence, relations between the government of the Province of Ontario and its municipalities are conducted in an aura of superior to inferior. This is the legal, constitutional situation; for a variety of reasons it is also, in effect, the real state of affairs.

However, if Ontario’s major urban centres were conscious political entities and could/would band together in a strong association of “big cities” the rules might at least be modified if not altered. Ontario’s local governments for the most part still feel happiest playing their centuries old game of administer, keep conflicts submerged and above all allow no real coalition of aldermen to push for certain policy alternatives.

The present situation in the Toronto city council is one in which this pattern is marginally upset. Understandably the province is content to deal with a diffuse and generally non-political, non-threatening group of municipalities. The picture is compounded by the stated provincial aim to “strengthen local government”.

A very short tour of the recent actions of the province in terms of the reassignment of functional responsibilities, and a minor diversion along a rather winding path of some theoretical considerations, may make the end of the journey more comprehensible.

Functional Allocation of Responsibilities

During most of the 1960's there appeared to be an implicit major premise underlying almost every action of Ontario in its relationships with its municipalities. Possibly because we (politician, civil servant, citizen) in Ontario have become accustomed to a government without an ideological base it has not been seen to be either expedient or necessary to make many major policy statements indicating a different thrust in policy. Basically and most clearly in terms of the education function, the government appears to have concluded, quite likely due to the enormity of the transfer payments to local governments for this service, that every citizen should have the right to, at the very least, the same minimum standard of service wherever he may live. But no Robichaud speech to proclaim the new direction! This is the backdrop, coupled with the feeling that if a level of government cannot perform the function to the standards deemed adequate the most effective remedy is to pass the responsibility for the function to a level of government which has the resources—both fiscal and human—to perform.

The Smith Report 1967 provided the major impetus for Ontario to act. In 1968 the responsibility for the administration for justice was assumed by the province. On many grounds almost a non-arguable transfer of function. The real question was why it had been felt that this function in which, to use the language of the Smith Report, “local government has at best fulfilled a menial role”, had been left for so long at the local level. By itself not a very critical transfer but the real effects are cumulative.

Again impressed by the overwhelming evidence amassed by Smith as to the inequities, variations and level of training of municipal assessors, the province assumed responsibility on January 1, 1970 for the assessment function. The Assessment Act 1968-69 reformed assessment practices through a rationalizing of administration and provided for the reassessment of all real property within the province to "market value" of land and building. (That is, to use the language of the Act, sec. 27(2) "... the amount that the land might be expected to realize if sold in the open market by a willing seller to a willing buyer".) Taken alone this is a reasonable reallocation of power. If there is to be a reform of municipal finance then it is imperative that the base for the most common tax—the property tax—shall be uniform. The province indicated that once the reassessment had been accomplished and had gone into effect possibly by 1975, then it could be passed back at least to the upper tier authority, county or region. Many observers are not overly sanguine as to when, if ever, the chance for that will occur.

The recent moves to establish regional health centres to deal with hospitals and public health functions are consistent with the other moves. The alteration in general welfare services and the increased dealings with private agencies in the provision of aspects of the children's services and the recommendation of a recent task force for regional organization, are indications of a removal of functions from local government.

The choice is that the province plays more of a direct role or, by a restructuring of grants, it effectively prescribes the terms and conditions of the delivery of the service. In that case, local variation and discretion become minimal. Similarly, police have been placed in the hands of a separate commission, the membership predetermined by Lieutenant-Governor-in-Council appointments with the municipal appointment in a minority position; thus, the police service becomes isolated from the local political process. Taken in isolation, this may not be such a bad idea.

The system of grants which relate to the building and maintenance of roads has long been rigidly tied to conditions imposed by the provincial highways department. Similarly, provision of water and sewer services has been made by the Ontario government laying down absolute standards. Through the power of the

purse and by legislative provision which established the Ontario Water Resources Commission, local discretion has been effectively removed. Taken alone, any of these transfers of responsibility appears logical and also provides for some basic standard of service throughout much of the province. It is the cumulative effect, however, to which one must direct attention.

The *1973 Budget Statement* suggests that there is at least concern about this process of assumption of functions and responsibilities. This, at least, is one interpretation of the proposals for "deconditionalizing" certain grants. The difficulty is that when particular grants are examined, grants such as arena program, library, museum, weed control, there is not one major municipal program area from which the province is proposing to remove conditions.

Some Theoretical Tangents

The main theoretical argument regarding the division of powers, is the centralism-decentralism issue. Legislative and administrative powers are most commonly evident in a jurisdiction that has fiscal resources and legal independence. Ontario local governments have neither of these prerequisites, though the same is true of local governments in many other jurisdictions. How can power and authority be divided amongst the dependent elements? To what extent does the dispensing power wish to devolve its authority, responsibility and control? These are the critical issues to be examined in the Ontario context.

After an extensive interview process in Canada with academics and knowledgeable civil servants at all three levels of government, a selective interview process in the United States and England, and readings in the area, some thoughts or theoretical tangents are offered. These are not intended nor are they presumed to be authoritative summaries of the state of the art which really revolves around theories of local government.

When one looks beyond the Ontario boundaries, many of the same issues appear. The following selection from the lead editorial of *The Sunday Times* (London, June 24, 1973) is illustrative:

Last week the government confirmed that there is no chance of local authorities becoming more, rather than less,

independent entities. Ever since the Maud Commission, the cities have hoped for greater financial freedom. But . . . no new sources of money will be created—neither local sales nor income taxes. The rates will remain, in all their inadequacy. Whitehall's ultimate grip will be tightened.

The re-structuring of local government has been given more solid considered study in England than it has in Canada; however, the Canadian record of legislative action until recently was far more impressive.

The Royal Commission on Local Government in England, 1966-1969, (Redcliffe-Maud Report 1969—Cmnd. 4040) was in three volumes, with nine published research studies. A similar report was produced for Scotland (Wheatley Report) and a White Paper dealing with Wales. The major Redcliff-Maud proposal—a unitary system with some metropolitan areas—was accepted by the Government in its White Paper, *Reform of Local Government in England*, (Feb. 1970, Cmnd. 4276). The language used by the Labour Government follows:

The Government are also determined to take positive measures to reverse the trend towards centralization. They are already planning to eliminate restraints that have become obsolete and, where control remains necessary for the further needs of national objectives, to make this control more flexible and efficient.

. . . No serious decentralization is possible with the present mosaic pattern of authorities with populations ranging from 1,500 to over a million. (p.62; p.19)

Thus in more elegant language than the Ontarians are accustomed to in government documents, the issue is joined. But, in 1970 the Conservatives won the election and issued its White Paper, *Local Government in England* (February 1971, Cmnd. 4584), which rejected most of Redcliffe-Maud and the Labour proposals and offered a two-tier system with six metropolitan areas. (It must be remembered that the terms of reference for the Royal Commission were to look at local government in all of England excluding the greater London area.) The 1971 White Paper was translated into legislation, *The Local Government Act*, 1972. What has been legislated was the removal of some of the people services from local authorities, i.e. health; other

functional responsibilities such as planning, public transport, and refuse disposal amongst others, were distributed as between "county" upper tier and "districts" lower tier. Other basic services such as water, sewage disposals and some sewerage functions were removed from local authorities and put into new regional water authorities. Existing local health services were shifted to new regional hospital authorities and area health boards. As one commentator stated: "... central control is not diminished. Despite the Government's early statement that it was intending to release many of the thousand controls that it exercises over local government, there has been little change; and even the investigation of control has been discontinued as the Government now sees little point to it."¹

There is a familiar ring to the mesh of theory and practice.

West Germany has recently gone through a series of local government reforms. Most of the states have established larger local government units in a move towards "territorial reform". The intent is to devolve more responsibility to the reorganized lower tier, but through the necessity of more co-ordination and planning, the effect is more centralization. Coupled with the "territorial" reform has been a local government financial reform movement since 1969, passing on to the local governments a percentage share of the federal income tax. Ironically, as Professor Schnur of the Universität of Tübingen writes, what has actually happened is that the federal government in West Germany is intervening more and more in the areas of state and local government and imposing its own standards of performance. The result has been that with federal laws administered by local authorities, approximately 99% of the local tax income goes to pay increased expenses in the personnel sector. Schnur's conclusion is: "... If we continue to weaken the position of the states (in relation to the federal government) there may come a day when our decentralized system exists only on paper."

Apprehension exists in England and certainly in West Germany as to the future health of the local government system. A brief look at some theoretical arguments extended in North America should help to round out the picture.

¹ G. W. Jones, "The Local Government Act, 1971". The Redcliffe-Maud Commission. 44(2), *Political Quarterly*, (April/June, 1973) 163.

James Fesler, Professor of Political Science, Yale University, is an authority on decentralization/centralization although a confirmed centralist. Much of his writing has been devoted to examining the assumption that decentralization is a value in itself.

Fesler has made the following telling comment:

Workload is often decentralized to field officials but with such detailed regulation requirements of referral of cases to the capital that there is scarcely any effective decentralization of decision-making.²

Pursuing this theme, Professor Fesler concluded that centralized control over local government generally emerges from efforts at decentralization and that this should moderate the view that decentralization can be automatically identified with democracy.

Only through a reallocation of powers, it would seem, will local government be strengthened. The case for decentralization largely rests in Fesler's words on "a romantic view of both the locality and the cultural region". Clearly, romantics tend to idealize, to talk about a golden age of face-to-face contact, where interactions are amongst neighbours. Local politics then is generally not issue-oriented. In Ontario terms, by indicating a desire to "strengthen local government" the push is toward consolidation into units with resources to act, units linked in a two-tier system to an area-wide government. It is centralization with a decentralizing wish that is difficult to fulfill.

In his argument, Fesler supports the thesis of Roscoe Martin's classic, *Grass Roots*, (1957), in which through his five-fold categorization, he laid to rest, one may hope, the dreams of "little government" being at one and the same time both more efficient and more democratic. For Martin, the essential purpose was to determine the administrative adequacy of government in terms of functions performed, population, geographic adequacy, fiscal adequacy, and technical competence. It is perhaps not out of place to look again at the criteria established

² For a full elaboration of his views, see: J. W. Fesler "Approaches to the Understanding of Decentralization" 27 (1965) *Journal of Politics*, pp. 536-566.

by the Ontario Committee on Taxation and adopted by Ontario in its *Design for Development* statements to determine principles that should govern when the province seeks to restructure. Both a search of the literature and a series of interviews have failed to identify cases of substantial devolution of powers back to smaller units. In a practical sense, such generally does not occur.

A different view, but one which leads to much the same conclusion, runs along the following lines. The field of federal-provincial relations exhibits two strong executive-dominated systems (cabinet/prime minister), whereas in provincial-municipal relations there is on the one side an executive dominated system, and at the municipal level, a legislative dominated system.

Hence the provincial domination of municipalities has been made even easier by the lack of local executive focus and by the fragmentation of the local government scene. One way to redress the balance is to introduce a strong executive model at the local levels coupled with political parties. Until this occurs, the prognostication is for a continuation of the current process.

Where does all this lead? Practical events suggest a lessened role for local governments. In some of the early English literature, there was a view that possibly, as the country progresses, it may well grow out of local government (R. E. Wraith, *Local Government*, Penguin Books, 1953). This seems to beg the question. The sharpest answer on a theoretical plane is that efficiency was never intended to be the sole objective of local government. The underlying assumption of equal importance was that ordinary people should associate with the provision of local schools, roads, sewerage, water, social services and so on, to the extent that they not only plan these services, vote funds to provide services, pass the contract, supervise construction, so that citizens may feel they are really dealing with their own services and not merely receiving services and programs being provided for them by senior government. However, as part of the heritage, representative government is desired at every level; hence one must be prepared to accept that fact that it may involve compromises and difficulties including local inefficiencies and local inequalities, notwithstanding the fact that the major portion of the funding comes as a transfer from a senior level of government.

Conclusions

The goal of the Government of the Province of Ontario stated in the 1973 budget was to “enhance the autonomy of municipalities and broaden the scope for decision making at the local level”. The central thesis of this paper is that if this is the aim then what is occurring creates an autonomy which is virtually meaningless. Few meaningful functions are being left to the local governments to perform unilaterally and therefore less remains in substantive terms to be decided by local councils. If this prognosis is valid then the future is dim for effective local government, as fewer and fewer people will be willing to stand for election to perform non-important tasks. If the transfer of functions persists unabated, if decentralization is taken to mean not a devolution of responsibility but the placement of offices of the province outside Toronto with consultative powers only (or as one wag has recently said, regional offices in Ontario today are given only the power to say no), then the future of the reorganized municipalities is bleak. At the end of the process there will be a hardening of the regional divisions of the province. A profound alteration of the role of local government will occur, as it will be expected and required more and more to conform to broad policy guidelines established by the province. Much of course depends on the mechanisms through

which the new planning powers and responsibilities are to be implemented and exercised within the five planning regions.

If the move is one that puts local governments into the position of being effectively an agent of the province, with little real decision making competence reserved unto them, Ontario may well progress into the state of having a prefecture system established. Some commentators argue that this view is much too dark; that it doesn't acknowledge the depth of the political culture of the province in which the traditions are too deep for any provincial government to escape. A counter argument, to which the author subscribes, accepts these criticisms but relies largely on the conclusion that what will assist the provincial transfer of power generally are apathetic and nonpolitical (at least at the local level) citizens concerned more with the level and quantum of service than esoteric arguments about the sanctity of lower level having the right to provide the function.

What this study demonstrates is that since the beginning of the 1960's there has been a consistent approach in the way provincial authorities have viewed local government. There appears to be a considerable degree of scepticism on the part of senior government people as to the inherent capacity of the municipalities to achieve goals and objectives. Some disagreement over whose goals and objectives the municipalities have been striving to meet, lies beneath the surface of this feeling. In most program areas and especially in the regional development and regional government areas, initially the approach was loose, with the expectation on the part of the province that the municipalities would get behind the programs and actively support them. As time progressed, the province's patience with the municipalities' pace of change began to fade. A culmination was reached in the June, 1972 *Design For Development: Phase Three* statement indicating that the province would become the dominant force. Provincial goals, objectives and plans would be laid down and the constituent parts would be required to conform. The stated provincial aim has remained as the enhancement of "local autonomy". This was not articulated or fully defined. This same pattern is reflected in the reallocation of service functions.

The argument suggested in the description of the public education programs that were carried out in New Brunswick and

Manitoba is that possibly, if energy, imagination and commitment had been put forward in this aspect, Ontario might have experienced a different reaction from those municipalities yet to experience the reform of their local government.

The brief theoretical sketch is intended to reinforce the view that small government is not always good government. More than this, it fully pinpoints some of the dangers inherent in systems, which while aiming at decentralization, in effect let nothing go. A thorough study of the theoretical underpinnings of decentralization with all its ramifications is desperately needed in the Canadian context. A university environment, possibly, is where that should occur.

The aim has not been to cast the province as the villain or the municipalities as total innocents. Rather, though this is of necessity a very subjective view, the hope is that some of the principal actors on both sides will begin to think a little more fully about the consequences of the future of local government in an urbanized Ontario. That the aims and objectives of rural Ontario have different characteristics has to be acknowledged. The extent to which the arguments marshalled in this study have relevance in that vein may, of course, be questioned. Nevertheless, it is in urban Ontario that dynamic innovative approaches are needed and alterations in the system required, if the whole potential of this province is to be experienced by the majority of its citizens.

Unless there is a far greater degree of politicization in Ontario's urban areas, unless the system is opened up effectively to more people, to encourage meaningful participation on the part of urban dwellers, to widen representation on council, to introduce an overt party system—in short to make local government a more effective force—then general public interest will further fade.

The province is intent on improving service efficiency. The lever of transfer payments with conditions tightly attached, notwithstanding the nudge to “deconditionalize” grants, may rather than strengthen local government, actually weaken it.

Expectations on the part of citizens have risen in terms of services they want from government. These have risen greatly in the urban areas. Many local politicians and more local adminis-

trators are discovering that there has been a substantial alteration in the demands made upon them in the past decades. The process of adjustment is difficult indeed. The all pervasive influence of Queen's Park is probably perceived more in nuisance terms by many rather than as something which may completely overwhelm them. In times of duress many individuals prefer a paternal approach. In the political arena, power bases that are abdicated very rarely are regained. Only through overt political action on the part of urban areas can problems caused by the process of expanding provincial control be countered. The future of effective local government in Ontario rests on shaky foundations.

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